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SUBJECT: LULA AND CHAVEZ, BONDING AT SITE OF FUTURE REFINERY

REF: RECIFE 130

1. (U) Summary. Brazilian President Lula da Silva traveled to the northeastern state of Pernambuco with his Venezuelan counterpart Hugo Chavez to lay the cornerstone for an oil refinery and to reinforce their alliance December 16. The anti-American rhetoric of Chavez was no surprise, but the emotional pledges of support from Lula revealed his self identification with the Venezuelan. End Summary.

2. (U) Venezuelan President Hugo Chavez came with Brazil's President Lula on a one-day visit to the state of Pernambuco December 16 to focus attention on their planned joint venture oil refinery (reftel). The press coverage focused more on the campaign atmosphere - with Lula saying he would only run for re-election if he were going to win and local gubernatorial candidates vying for political advantage from the refinery. (PMDB Governor Jarbas Vasconcelos was booed by Lula supporters, brought in for the ground-breaking ceremony at the refinery site, a surprise to the popular governor whose support for any candidate is considered invaluable in this state.) Buried under the local politics in the news, Chavez got small headlines on back pages including "Venezuelan attacks the U.S.A," and "Chavez parties in Abreu e Lima; blames U.S. for problems of Latin America."

3. (U) According to the press, Chavez denounced the U.S. as he received honorary citizenship in the small industrial town of Abreu e Lima, named for the Brazilian general who fought beside Simon Bolivar. Chavez said the U.S. was responsible for keeping Latin America backwards and poor, "Enough of so much looting! We have the right to be free, enough to 500 years (sic) of imperialism," he said, adding that Simon Bolivar "foresaw" the imperialist threat of the United States.

4. (U) More interesting than Chavez' rhetoric was President Lula's defense of Chavez and how he identified himself with Chavez. "I met you in Venezuela at a time when I could not imagine that the press in a country could do to a president what the Venezuelan press was doing to you," Lula said as he looked at his Venezuelan colleague, according to the Diario de Pernambuco. "I was in the hotel with my comrade Marco Aurelio watching TV and the propaganda against Chavez was of such magnitude, so great were the personal offenses, that I could not imagine how, in a democratic country, the press could act this way against a president. And now we in Brazil are living through something similar." President Lula went on berating the press for accusing without substantiation of their charges, expressing sympathy for other Brazilian Presidents (Kubitschek and Vargas) whose presidencies ended under press accusations of misconduct.

5. (U) Lula returned to his praise for Chavez adding, "I often tell Chavez, every time he has a fight with President Bush, I say 'Chavez, patience, patience - these things one resolves by talking a little more.'" Finally he added that "I want you to leave Brazil with the conviction that when you have difficulties, you can lie down each evening and say 'I know I am not alone' because President Lula and a great portion of the Brazilian people will be with you." The Brazilian president also told his followers in Pernambuco that he would return to the Northeast in January to inaugurate a 1,800 kilometer railroad project to link the Suape port with the Ceara port of Pecem, an investment of 4.5 billion reales (about 2.2 billion dollars.)

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